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EXAMINER

HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3692

DATE MAILED: 12/01/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/381,243

Applicant(s)

HASKINS ET AL.

Examiner

Timothy M. Harbeck

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 September 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 and 13-46 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-11 and 13-46 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- ☐ Notice of Informal Patent Application
- ☐ Other: _____

DETAILED ACTION

Claim Objections

Claim 44 is objected to because of the following informalities: Claim 44 contains a small typo. The word "funs" is claimed, however the examiner understands that the applicant intends to claim "funds," and the application has been examined under this assumption. Nonetheless, appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 4-5, 27-29, 32-40, 45-46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Anonymous (Asset allocation programs: "A partnership between operations and investments," ABA's Financial Services Industry Trends, v54, p15-18 Jan/Feb 1996) in view of Wolfberg

Re Claim 1: Anonymous discloses different asset allocation programs that are operable through the use of a computer. This model discloses a method for modeling an investment fund mix comprising the steps of

- Designating funds for investment to produce the fund mix (page 2, line 6-11)
- Comparing a diversification guideline to the fund mix (page 2, line 6-11)
- Completing an information file for the user (Page 3, line 21-27)

- Determining a pattern of investments to meet the pre-selected guaranteed amount (Page 3, line 28-35)
- Applying the diversification guideline to the information file to determine whether the information file meets the guideline (Page 3, line 28-35)

The Anonymous document does not disclose automatically calculating the projected guaranteed amount or comparing the projected guaranteed amount to the pre-selected guaranteed accumulated investment amount. Wolfberg discloses a goal-oriented investment data processing system wherein the data processing system manages, monitors and reports the growth of a participant's investment base with respect to progress towards achieving a predetermined investment target or goal amount (Column 1, line 45-49). Furthermore Wolfberg discloses that the growth of a participants initial investment base is tracked and interpreted based on criteria and projections periodically made which reflect how well the account is progressing toward the target amount (Column 1, line 55-60). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teaching of Wolfberg to the disclosure of the Anonymous document, so that an individual will have a way to know if their investments are progressing toward their ultimate goal. If an individual sets an investment goal that they wish to achieve, they would want to know that appropriate progress is being made. In this way, if their investments are not progressing in a satisfactory manner, they can make necessary adjustments.

Re Claim 4: Anonymous in view of Wolfberg discloses the claimed method and Anonymous further disclose

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- Suggesting a pattern of investments (Page 2, lines 6-11)
- Automatically calculating a suggested pattern guaranteed amount (Page 3, lines 28-35)

And Wolfberg further discloses:

- Comparing the suggested pattern guaranteed amount to the pre-selected guaranteed amount (Column 1, line 55-60)
- If the suggested pattern guaranteed amount is not at least the pre-selected guaranteed amount, returning to the step of suggesting a pattern of investments (Column 2, lines 33-41)

It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teachings of Wolfberg to those of Anonymous so that an investors goal can be tracked to make sure that it is on schedule with the pre-selected investment goals.

Re Claim 5: Anonymous further discloses a method wherein the step of applying the diversification guideline to the information file to determine whether the information file meets the guideline further includes the steps of, if the information file does not meet the diversification guideline

- Automatically noting exceptions (Page 3, line 28-35)
- Automatically suggesting alternative inputs to meet the guaranteed amount (Page 3, line 28-35)
- Inputting corrections (Page 3, line 28-35) and;

- Automatically returning to the step of completing an information file for the user (Page 3, line 21-35). The act of constantly rebalancing the diversification of the portfolio shows that this process is in fact a looped process.

Re Claim 27: Anonymous discloses a method for pricing fund charges for an investment fund equal to at least a pre-selected guaranteed accumulation investment amount over a predetermined time period selected by a user comprising the steps of:

- Creating a plurality of information sets corresponding to a plurality of potential users (Page 3, lines 14-20). The different risk tolerances could represent the different risks tolerances of potential users.

Wolfberg discloses

- Automatically projecting a plurality of monthly charges for producing a plurality of projected guaranteed amounts for each of the plurality of information sets and automatically deducting and accumulating the plurality of monthly charges (Column 2, lines 42-53). Wolfberg discloses deducting predetermined operating costs, which represent previous projections of charges over a period of time (i.e. monthly, quarterly, yearly)
- For each of a plurality of projected guaranteed accumulation investment amounts, automatically adding the accumulated monthly charge and subtracting the projected guaranteed accumulation investment amount to produce a probability distribution providing a range of net values (Column 2, lines 42-49). The excess amounts over the guaranteed minimum and

the operating costs of the Wolfberg method are all incorporated to produce net value of the investment portfolio.

While Wolfberg does not explicitly disclose selecting one from the plurality of monthly charges that produces zero value for the probability and distribution produced, this step would have been obvious to anyone of ordinary skill by simply selecting the appropriate value from the plurality of charges.

It would have been obvious to someone skilled in the ordinary art to include the teachings of Wolfberg to the method of Anonymous, so that each potential investor can have a net investment projection that includes any service charges that may be deducted. This would also allow them to see adjusted probability distributions relating to their investment opportunities.

Re Claim 28: Anonymous in view of Wolfberg discloses the claimed method 27 as stated previously, however the references do not explicitly disclose the step wherein the plurality of information sets includes extensive variation of duration of benefits, contribution patterns, and select end choices. However, it was well known in the art at the time of invention that different investment plans have extensive variations depending upon the goals of the plan. For instance, a young investor saving for retirement would make smaller contributions to the plan as compared to an older investor looking to achieve the same financial goal. This is because the younger investor has more time to allow for interest to accumulate in his account, whereas the older investor would have to make up for the loss in time with larger contributions. It would have been obvious to someone skilled in the ordinary art to include extensive

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variations in the investment plans, because each investor has different goals and no one plan is suited for every investor.

Re Claim 29: Anonymous in view of Wolfberg discloses the claimed method 27 as stated previously, however the references do not explicitly disclose the step wherein the plurality of information sets comprises a single life with a ten-year certain settlement option. However it was well known in the art at the time of invention that to include settlement options on long-term investment plans to allow customers to withdraw their money prematurely, often times with a financial penalty associated with doing so. It would have been obvious to someone skilled in the ordinary art at the time of invention to include this option because it was widely used and would provide additional advantages to the investment plan to attract investors.

Re Claim 32: Wolfberg discloses a method for combining electronic fund reports for a client for a plurality of funds and a plurality of transactions for the plurality of funds wherein each of the plurality of funds has an amount, comprising the steps of:

- Automatically determining whether all of the plurality of funds have reported (Col 1, line 55- Col 2 line 4)
- Automatically matching the plurality of transactions to the plurality of funds (Col 3, lines 3-33)
- Automatically generating withdrawal and deposit instructions for the plurality of funds (Col 13, lines 59-62)

Anonymous discloses

- Determining whether diversification guidelines are met for the plurality of funds and the plurality of transactions (Page 3, line 21-27).

The references do not disclose automatically determining whether the total contribution exceed a predetermined amount, however it was well known in the art at the time of invention that contribution totals to certain vehicles were capped at a certain maximum amount. For example a Roth IRA has annual contribution maximums that cannot, by law, be exceeded because these vehicles have certain tax related benefits that are meant to encourage less wealthy individuals to save. It would have been obvious to someone skilled in the ordinary art at the time of invention to include this step because it was illegal not to do so.

It would have been obvious to someone skilled in the ordinary art at the time of invention to combine the teachings of Anonymous and Wolfberg in order to determine that the fund mix is producing the amount that the investor has required.

Re Claim 33: Anonymous in view of Wolfberg disclose the claimed method 32 as stated previously and Anonymous further discloses wherein the step of determining whether diversification guidelines are met for the plurality of funds and plurality of transactions further includes the steps of:

- If the plurality of funds and plurality of transactions does not meet the diversification guidelines, providing to the client a timetable to reallocate the plurality of funds and determining whether diversification guidelines are met for the reallocated plurality of funds (Page 3, lines 21-35)

Re Claim 34: Anonymous in view of Wolfberg discloses the claimed method 32 as stated previously. The references do not explicitly disclose if the total contributions exceed a predetermined amount, automatically generating a report to the client requesting the excess of contributions over the predetermined amount be withdrawn;

- Automatically generating a timetable for the client to withdraw the excess of contributions over the predetermined amount;
- If the timetable is not met, automatically identifying a fund from the plurality of funds containing the largest amount; and
- Automatically transferring the excess of contributions over the predetermined amount from the fund from the plurality of funds containing the largest amount to the second account

However, official notice is taken that it was well known in the art at the time of invention that this is how accounts have been handled that have contribution ceilings. For example, Roth IRA's have, by law, maximum annual contributions amounts that cannot be exceeded. However, often time an investor may mistakenly contribute more than the maximum amount into the IRA account. If this occurs, any excess money is not invested, but rather set aside in a separate account. The customer is notified, and then can take appropriate steps to allocate the contributions in a separate account.

Re Claim 35: Anonymous discloses a method for processing for a user a guaranteed accumulation investment amount for a plurality of variable annuities with a fixed retirement income guaranteed amount having a maturation date comprising the steps of:

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- Inputting user specific data (page 3, lines 21-27)

Wolfberg discloses

- Automatically generating a contract data page and automatically issuing a contract (column 1 line 45- column 2 line 41). It is evident from the discussion that the investor has an agreement in place with the manager of the system. The agreement is to invest a certain amount of money with the management company with the promise of a guaranteed rate of return on this initial investment. While the specific term "contract" is not used, it is implied throughout the discussion.
- Automatically deducting a daily cost charge (Column 2, line 42-49). The system could easily be adapted to deduct charges on a daily basis or any other time frame.
- Receiving transactions for the account (Column 3, lines 12-24)
- Comparing a variable annuity diversification guideline to the received transactions for the account (Column 3, lines 25-34)
- Automatically generating withdrawal and deposit instructions for the received transactions (Column 3, lines 35-48)
- Automatically determining the guaranteed accumulation investment amount (Column 2, lines 13-23)
- Automatically periodically transmitting information about the account to the user (Column 4, lines 5-9)

The references do not disclose automatically determining whether the total contribution exceed a predetermined amount, however it was well known in the art at the time of invention that contribution totals to certain vehicles were capped at a certain maximum amount. For example a Roth IRA has annual contribution maximums that cannot, by law, be exceeded because these vehicles have certain tax related benefits that are meant to encourage less wealthy individuals to save. It would have been obvious to someone skilled in the ordinary art at the time of invention to include this step because in many common cases it was illegal not to do so.

It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teaching of Wolfberg to the disclosure of the Anonymous document, so that an individual will have a way to know if their investments are progressing toward their ultimate goal. If an individual sets an investment goal that they wish to achieve, they would want to know that appropriate progress is being made. In this way, if their investments are not progressing in a satisfactory manner, they can make necessary adjustments. The investor and the management system would also benefit from having a contractual agreement in place to provide evidence of a financial relationship.

The references do not explicitly disclose generating a guaranteed minimum benefit rider. However riders were well known in the art at the time of invention as a means for adding onto an agreement. In this instance the rider is to guarantee a minimum benefit, which is the objective of the Wolfberg invention. While not explicitly disclosing the use of a benefit rider it would have been obvious to anyone or ordinary

skill at the time of invention to include such a feature, or some similar clause so that the client is reassured of the guarantee. Without such a clause it would not really be a guaranteed system as claimed but rather a speculative system.

Re Claim 36: Anonymous in view of Wolfberg discloses the claimed method 35 as described previously, and Wolfberg further discloses wherein the transactions include transferring account amounts for removed funds (Column 2 line 50- Column 3 line 11). The Wolfberg disclosure shows the use of inter fund transfers and allocations, and while not explicitly disclosing transferring amounts for removed funds, it would have been obvious to someone skilled in the ordinary art at the time of invention to include this step because the management system would not want to leave money in a fund that is removed from the portfolio. They would transfer the funds from the removed account to a more appropriate fund.

Re Claim 37: Anonymous in view of Wolfberg discloses the claimed method 35 as stated previously. The references do not explicitly disclose if the total contributions exceed a predetermined amount, automatically generating a report to the client requesting the excess of contributions over the predetermined amount be withdrawn;

- Automatically generating a timetable for the client to withdraw the excess of contributions over the predetermined amount;
- If the timetable is not met, automatically identifying a fund from the plurality of funds containing the largest amount; and

- Automatically transferring the excess of contributions over the predetermined amount from the fund from the plurality of funds containing the largest amount to the second account

However, official notice is taken that it was well known in the art at the time of invention that this is how accounts have been handled that have contribution ceilings. For example, Roth IRA's have, by law, maximum annual contributions amounts that cannot be exceeded. However, often time an investor may mistakenly contribute more than the maximum amount into the IRA account. If this occurs, any excess money is not invested, but rather set aside in a separate account. The customer is notified, and then can take appropriate steps to allocate the contributions in a separate account.

Re Claim 38: Anonymous in view of Wolfberg discloses the claimed method 35 as stated previously and Wolfberg further discloses automatically transmitting to the user notice of the maturation date prior to the maturation date (Column 3 line 63-Column 4 line 9).

Re Claim 39: Anonymous in view of Wolfberg discloses the claimed method 35 as stated previously and Wolfberg further discloses automatically comparing the guaranteed accumulation investment amount to the total value of the plurality of variable annuities (Column 2, lines 33-41) and upon the maturation date, the user receiving the excess of the guaranteed accumulation investment amount over the total value of the plurality of variable annuities (Column 2, lines 42-49).

Re Claim 40: Anonymous in view of Wolfberg discloses the claimed method 35 as stated previously and Wolfberg further discloses the step of upon the maturation

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date, the user selecting anew maturation date (Column 2, lines 45-62). In the Wolfberg embodiment, the participant has flexibility with regards to their account and has the ability to change the maturation date simply by altering the amount of monthly payments into the account.

Claims 2-3 and 30-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Anonymous in view of Wolfberg, and further in view of Lane.

Re Claim 2: Anonymous in view of Wolfberg discloses the claimed method 1 supra except for the disclosure wherein the investment fund comprises select funds. Lane discloses the use of select funds such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because selected funds, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 3: Anonymous in view of Wolfberg discloses the claimed method 1 supra except for the disclosure wherein the investment fund comprises variable. Lane discloses the use of variable annuities such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because variable annuities, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 30: Anonymous discloses a method for processing a selected guaranteed accumulation investment amount for a user over a predetermined time

period equal to at least a pre-selected guaranteed accumulated investment amount selected by the user comprising:

- Inputting a plurality of funds each of the plurality of funds having a value (Page 3, lines 14-20)

Lane discloses

- Automatically generating a probability distribution of projected accumulation amounts (Fig 5)

Wolfberg discloses

- Automatically deducting a charge on a periodic basis (Column 2, lines 42-49)

The references do not disclose automatically generating a fund guarantee statement or automatically generating a fund report, however it was well known in the art at the time of invention to provide a customer with a guarantee or a fund report so that they will have relevant information pertaining to their investment. A customer would want to know the status of their portfolio at certain time periods so they can see how well the portfolio is progressing. Electronic fund reports offer a fast and cost effective way of achieving this objective.

It would have been obvious to someone skilled in the ordinary art at the time of invention to combine the teachings of Anonymous, Wolfberg and Lane so that a customer would have a complete profile of their net investment portfolio. One would be motivated to do this because an investor would want to have periodic updates as to the status of their portfolio, so they can make proper adjustments if the portfolio is not progressing in an appropriate manner.

Re Claim 31: Anonymous in view of Wolfberg in view of Lane discloses the claimed method 30 as previously stated and Wolfberg further discloses automatically determining whether any fund of the plurality of funds is unavailable; if any fund of the plurality of funds is unavailable, automatically determining the date the unavailable fund became unavailable; and automatically determining the value of the unavailable fund on the date the fund became unavailable (Column 3, lines 25-34). Wolfberg notes that a customer is prohibited from investing in funds that would be self destructive toward their stated goal. In his example if a fund does not achieve an 8% return it would become unavailable for the customer. It follows then that at that particular date when the return on investment for that fund fell below 8%, that would be the date the fund is unavailable and the value on the date would be determined so the customer could reallocate those funds.

Claims 6, 9, 13-14, 16-17 and 45-46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wolfberg in view of Anonymous in view of Edesess (US PAT 5,884,287).

Re Claim 6: Wolfberg discloses a method for identifying a fund mix producing a projected accumulation investment amount exceeding a pre selected amount for a user comprising the steps of:

- Inputting the time period for producing the maximum accumulation investment amount (Column 5, line 24-26)

Wolfberg does not explicitly disclose

- Inputting a probability of the projected accumulation investment amount exceeding the pre selected amount
- Automatically searching predetermined probability distribution functions for potential funds for the fund mix.
- Automatically listing a plurality of funds by projected accumulation investment amount produced using the predetermined probability distributions for the potential funds
- Comparing a diversification guideline to the plurality of potential funds
- Automatically combining a plurality of potential fund meeting the diversification guideline to produce an optimum fund mix that will produce a projected accumulation investment amount exceeding the pre selected amount.

Anonymous discloses

- Automatically searching predetermined probability distribution functions for potential funds for the fund mix (Page 3, lines 13-20).
- Automatically listing a plurality of funds by projected accumulation investment amount produced using the predetermined probability distributions for the potential funds (Page 3, lines 13-20)
- Comparing a diversification guideline to the plurality of potential funds (Page 3, lines 21-27)
- Automatically combining a plurality of potential fund meeting the diversification guideline to produce an optimum fund mix that will produce a

projected accumulation investment amount exceeding the pre selected amount (Page 3, lines 21-35).

It would have been obvious to someone skilled in the ordinary art at the time of invention to combine the features of Anonymous and Wolfberg so that an appropriate mix of investments can be compiled that will satisfy an individuals investment goals.

Edesess discloses:

- Inputting a probability of the projected accumulation investment amount exceeding the pre selected amount (See abstract)

It would have been obvious to anyone of ordinary skill in the art at the time of invention to include the teachings of Edesess to the disclosure of Wolfberg to create an optimal investment plan given wealth goals stated in probabilistic form. An investor can then see the overall risk related to overall return across an entire distribution.

Re Claim 9: Wolfberg discloses a method for projecting an accumulated investment amount for a portfolio having a plurality of funds over a pre selected time period for a user, comprising the steps of

- Inputting initial and periodic contributions and fund allocations for the plurality of funds (Column 1, lines 55-60)
- Automatically calculating the time needed to process a projection of the accumulated investment amount for the portfolio having the plurality of funds (Column 1, lines 60-67).

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- Automatically performing a projection of the accumulated investment amount for the portfolio having the plurality of funds (Column 1, lines 60-67)

Anonymous discloses

- Completing a projection method parameters file in which various parameters are identified (Anonymous, Page 3, lines 21-27)

It would have been obvious to someone skilled in the ordinary art at the time of invention to combine the teachings of Wolfberg and Anonymous so that a user of the system would have a formal way to project the future value of the investment and make adjustments in the portfolio if it is not performing up to standards.

The references do not explicitly disclose wherein the parameters include a probability that a fund will exceed a projected yield in any year. Edesess discloses a system and method for generating and displaying risk and return in an investment portfolio including a probability function for achieving a projected yield (See abstract, Fig 2 Ref 70; Fig 6). It would have been obvious to anyone of ordinary skill in the art at the time of invention to include the teachings of Edesess to the disclosure of Wolfberg to create an optimal investment plan given wealth goals stated in probabilistic form. An investor can then see the overall risk related to overall return across an entire distribution.

Re Claim 13: Wolfberg further discloses the step of, if the user interrupts the step of automatically performing a projection of the accumulation amount for the

plurality of funds, automatically presenting completed projections (Column 1, lines 60-67, Column 9, lines 26-30).

Re Claim 14: Wolfberg further discloses the step of automatically prompting the user prior to performing the step of automatically calculating a projection completion time. In the Wolfberg disclosure, the user is prompted to validate his or her identity before performing any requested services. In this way the system is protected against possible fraudulent use.

Re Claim 16: Anonymous further discloses the step of automatically performing a projection of the accumulation amount for the plurality of funds further comprising the steps of

- Inputting data for the projection (Page 3, lines 13-14; optimization techniques)
- Automatically performing a distribution model (Page 3, lines 13-20). The “efficient frontier” model discussed is a distribution model of rate versus return.

Re Claim 17: Anonymous further comprises the step of automatically performing a projection of the accumulation amount for the plurality of funds further comprising the steps of

- Inputting data for the projection (Page 3, lines 13-14; optimization techniques)
- While Anonymous does not explicitly disclose setting a yield equal to the index performance for a predetermined number of simulations, this step

would be obvious to someone skilled in the ordinary art. The reason an investor would use a system such as this would be with the goals of receiving a higher yield on their money than the standard index. If the user was looking to achieve were the yield of the index, then they would not need this system but rather would simply invest their assets evenly across the board. The higher yield is what would motivate them to use an investment management system.

- Automatically performing a distribution model for the number of simulations greater than the predetermined number (Page 3, lines 13-20)

Re Claim 45 and 46: Wolfberg further discloses:

- Automatically determining the accumulated investment amount for the pre selected time period

The references do not explicitly disclose discounting the accumulated investment amount by a reserve interest rate and using a reserve investment rate or determining a present value of a future guarantee charge for the accumulate investment amount.

However it was well known to anyone skilled in the ordinary art that both discounting an investment using an interest rate or reserve investment rate and finding the present value of a future value were common practices in the financial community. An investment manager would be motivated to discount the accumulated investment amount by certain factors to get a better understanding of the current market value of the investment as opposed to the redemption value (guaranteed amount). In the same manner, taking the present value of known future charges allows these charges to be

factored into the present accumulation amount to get a better understanding of the “real” value of the current investment and helps to determine how much money needs to be invested currently to achieve the desired future value (guaranteed amount).

Claims 7-8 and 10 –11, 15, 18-21, 23-26, 41-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wolfberg in view of Anonymous in view of Edesess, and further in view of Lane.

Re Claim 7: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 6 supra except for the disclosure wherein the investment fund comprises select funds. Lane discloses the use of select funds such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because selected funds, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 8: Anonymous in view of Wolfberg discloses the claimed method 6 supra except for the disclosure wherein the investment fund comprises variable. Lane discloses the use of variable annuities such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because variable annuities, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 10: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 9 supra except for the disclosure wherein the investment fund comprises select funds. Lane discloses the use of select funds such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because selected funds, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 11: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 9 supra except for the disclosure wherein the investment fund comprises variable. Lane discloses the use of variable annuities such as US Treasury Bills, Certificates of Deposits, US Treasury Notes and Federal Agency Bonds. It would have been obvious to someone skilled in the ordinary art to include the teachings of Lane to those of Anonymous in view of Wolfberg because variable annuities, such as the ones noted, are notoriously well known in the art as investment vehicles.

Re Claim 15: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 9 supra and Wolfberg further discloses the step of automatically deducting a service charge (Column 2, lines 42-49). Neither reference discloses inputting the average yield for each of the plurality of funds or calculating the average projected yield for each of the plurality of funds. Lane discloses both of these features in Table 2 (Page 105). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the average yield inputs and projects to Wolfberg in view of Anonymous so that a user can see the current returns associated with

individual funds, and also the projections of the same funds so that they can determine if the potential future returns are in sync with their financial goals.

Re Claim 18: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 9 supra. Anonymous further discloses automatically performing a distribution model to generate multiple accumulation amounts (Page 3, line 13-20). Lane discloses, in Table 3, automatically performing a projection of the accumulation amount for the plurality of funds further comprising an average annual change in index performance for each index fund. In the table, the current yields are given, and the future forecasted yields are given, so it would be simple to calculate the average change over time. The references do not teach automatically performing a normal distribution random projection, a standard deviation model or automatically deducting a predetermined percentage of annual yield from the projection of index appreciation. However, performing a normal distribution projection and finding the standard deviation of a set of numbers is notoriously well known in the art of statistics. Portfolio modeling uses statistical reasoning as a foundation for projecting numbers. It follows then that most systems for portfolio modeling would use statistical reasoning, including the “efficient frontier” model of Anonymous. This “optimization technique” could well use normal distributions and standard deviations to help project the value of investments. Furthermore, deducting a percentage of annual yield from the projection of annual index appreciation is a well known method to adjust for inflation to come to a “real value” of a projected number.

Re Claims 19 and 20: Wolfberg in view of Anonymous in view of Edesess the claimed method 9 and 16 respectively, as stated previously and Wolfberg further discloses

- Automatically deducting a service charge (Col 3, lines 42-49)

Lane further discloses:

- Inputting a number of scenarios and number of simulations (Page 107, lines 10-15)
- Automatically generating a random number for a first simulation (Page 103, lines 12-17)
- Inputting projection method factors (Page 107, lines 17-23)
- Automatically generating a first simulation result for a random distribution model (Page 104, lines 1-5)
- Automatically generating a new random number from the first random number (Page 104, lines 5-13)
- Automatically generating a new simulation result for the random distribution model (Page 104, lines 5-13)
- While Lane does not explicitly disclose automatically repeating steps e and f a number of times equal to the number of simulations inputted less two simulations, official notice is taken that it was well known in the art at the time of invention to run a simulation a number of times and that the number of times can be set by the operator. Therefore it would have been obvious to someone skilled in the ordinary art at the time of invention to

run the Lane simulation multiple times, in order to compare the risks of investment decisions.

- Automatically imputing the output of step g as the average yield for each of a plurality of funds (Page 105, Table 2)
- Automatically calculating the average projected yield for each of the plurality of funds (Page 106, Table 3, Forecast Yields)
- Automatically generating a first simulation result for the random distribution model for a new simulation (Page 103, lines 12-17) and;
- Automatically repeating steps e through j a number of times equal to the number of scenarios inputted less one scenario to produce outcomes for each of the plurality of scenarios (Page 105-106, Tables 2 and 3)

Re Claim 21: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 16 as previously stated. Lane further discloses a method wherein the projection method factors include a standard deviation, an average yield for the plurality of funds (Page 113, Table 4), and a probability that the average yield for the plurality of funds will exceed the projected yield in any year (Page 115, Fig 5).

Re Claim 23: Wolfberg in view of Anonymous in view of Edesess and Lane disclose the claimed method 18 as previously stated. While the references do not explicitly disclose wherein the plurality of funds includes at least one index fund, it was well known in the art at the time of invention to use index funds as investment vehicles. Therefore it would have been obvious to someone skilled in the ordinary art at the time of invention to use an index fund, because they provide instant diversification of a

portfolio, and provide a good basis for comparison because they are designed to track the movement of particular indices (i.e. S&P 500 index funds).

Re Claim 24: Wolfberg in view of Anonymous in view of Edesess in view of Lane discloses a method for modeling an income account for a user over a predetermined time period after a pre-selected delay period

Wolfberg discloses the steps of

- Inputting an issue commission of zero percent (Column 2, lines 42-49); the value would just be zero as opposed to a higher percent.

Lane discloses

- A best estimate for treasury security yields (Page 100, lines 14-19)
- A plurality of additional basis point spreads (Page 100, line 20-Page 101, line 2)

The references do not disclose automatically applying an annuity calculator to produce a current projected fixed retirement income amount, however this it is well known in the art to apply an annuity projection for a long term investment, since the purpose of an annuity is to have an income at a later time. It therefore would have been obvious to someone skilled in the ordinary art at the time of invention to use an annuity calculator so that an investor could project future incomes.

The references also do not disclose automatically repeating steps a and b for a range of treasury security yields and for each of the plurality of additional basis point spreads, however, Anonymous discloses repeating optimization techniques for a range of risk tolerances (Page 3, lines 14-20). It would have been obvious to someone skilled

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in the ordinary art to adapt this technique for other types of ranges or spreads, including treasury yields and basis point spreads, so that an investment manager can find values for all possible outcomes to aid in maximizing the investment portfolio.

Re Claim 25: Wolfberg in view of Anonymous in view of Edesess in view of Lane discloses the claimed method 24 above, but the references do not disclose the use of the Flexibility Annuity Settlement Proposal Generating System. However this system, as noted in the specification of the applicant, was well known in the art at the time of invention and therefore would have been obvious to include with the annuity calculator.

Re Claim 26: Wolfberg in view of Anonymous in view of Edesess in view of Lane discloses the claimed method 24 above, but the references do not disclose the steps of paying the user the fixed income retirement amount at the end of the pre-selected delay period on a periodic basis; and if the fixed income retirement amount paid is less than the amount payable using the annuity, paying the difference to the user and at the end of the predetermined period and on a periodic basis thereafter for the predetermined time period, comparing the fixed income retirement amount paid to an amount payable using an annuity. However, Lane discloses fixed-income portfolios that produce a fixed income amount that could be sued at the retirement time or before, and can be payable in different periodicity, including annuity. Therefore it would have been obvious to someone skilled in the ordinary art at the time of invention to include such steps in order to increase the investor's interest in the investment proposal.

Re Claim 41: Wolfberg in view of Anonymous in view of Edesess in view of Lane discloses the claimed method 26 as stated previously and Wolfberg further discloses

- Generating for the user a guaranteed minimum benefit rider (Column 2, lines 33-35)
- The user electing a benefit with a benefit period and an assumed interest rate (Column 2, lines 13-23)
- Automatically providing a resulting guaranteed periodic benefit and periodic charge for guarantee (Column 2, lines 33-49)
- For the benefit period, automatically comparing an actual benefit from the benefit to a calculated benefit using the assumed interest rate (Column 2, lines 33-41)
- At the end of the benefit period and at periodic intervals thereafter, automatically comparing the actual benefit from the benefit to calculated benefit using the assumed interest rate (Column 2 lines 33-41 and Column 4, lines 5-9).

Re Claim 42: Wolfberg in view of Anonymous in view of Edesess in view of Lane discloses the claimed method 41 as stated previously and Wolfberg further discloses the step of if the actual benefit from the benefit is less than a pres elected percentage of the calculated benefit using the assumed interest rate, automatically paying the difference between the actual benefit from the benefit and the calculated benefit using the assumed interest rate (Column 2, lines 33-41).

Re Claim 43: Anonymous in view of Wolfberg in view of Lane discloses the claimed method 41 as stated previously and Wolfberg further discloses the step of

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automatically transmitting the results of the comparing step to the user (Column 4, lines 5-9).

Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wolfberg in view of Anonymous in view of Edesess as applied to claim 16 above, and further in view of Lewellen (Simulation versus Single-Value estimates in capital expenditure analysis, in Modern Developments in Financial Management, ed. By Myers, S.C., The Dryden Press-Praeger Publishers, Inc., 1976, pages 442-463).

Re Claim 22: Wolfberg in view of Anonymous in view of Edesess discloses the claimed method 16 as stated previously but does not disclose wherein the random distribution simulation includes a Monte Carlo simulation. Lewellen discloses such a step (Page 457, lines 1-25). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the step taught by Lewellen because a Monte Carlo simulation was a well known simulation method used to generate values for investment projections.

Claim 44 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wolfberg.

Re Claim 44: Wolfberg discloses a method for goal oriented investment indexing, tracking and monitoring data processing system comprising the steps of

- Automatically identifying for each of the plurality of users each of the plurality of selected funds for which the value of the selected fund is less

than the guaranteed accumulation on investment amount (Column 9 lines 1-10, lines 21-26);

- Automatically summing the difference between each of the plurality of selected funds for which the value of the selected fund is less than the guaranteed accumulation investment amount for each of the plurality of users to produce a total difference (Column 9, lines 21-26).

Wolfberg does not explicitly disclose the step of automatically increasing the total difference by a reserve factor. However Wolfberg does disclose using resources from the selected funds to supplement the individual funds and bring them back up to the guaranteed level (Column 9, lines 21-26). In doing so, the total difference is automatically increased between the two different funds. While not explicitly disclosing a reserve factor to increase this deficit, this step would have been obvious to a person of ordinary skill in the art in order to have a source to periodically update the guaranteed funds, as opposed to one lump sum. In this manner the company profits do not take a large deduction at one time, but rather can spread the liability over time.

Response to Arguments

Applicant's arguments, see Remarks, filed 9/11/2001, with respect to the rejection(s) of claim(s) 44 under 102 have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Wolfberg. As a result this action is made non-final.

In response to applicants arguments that the prior art does not contain a suggestion, motivation or teaching that would have led a person of ordinary skill in the art to select and combine the references and that the prior art must suggest the desirability of the modification; it has been found that a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000).

The examiner believes that in each instance a reasoned statement has been presented as to why a person of ordinary skill would have been provided with sufficient motivation, either in the prior art, or implicitly in view of the problem to be solved as a whole.

Therefore these rejections have been maintained. To traverse these rejections, it would be more prudent for applicant to argue why the combination would be nonobvious, as opposed to looking for a strict explicit showing in the prior art, as this is not required.

With respect to the applicants attempt to traverse the Official Notice of the examiner; To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his

statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. In this case, the applicant has not specifically pointed to flaws in the examiners logic, but has simply provided a general allegation that the claims define patentable subject matter. In future correspondence, it is recommended that applicant specifically argue why the examiners position is not proper or, in other words, why the presented knowledge is not common or well known.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on 571-272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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